



## **ADMINISTRATIVE COMMITTEE MEETING NOTICE/AGENDA**

Posted at [www.scdd.ca.gov](http://www.scdd.ca.gov)

**DATE:** November 20, 2013

**TIME:** 2:00-4:00 p.m.

**LOCATION:** State Council on Developmental Disabilities  
1507 21<sup>st</sup> Street, Suite 210  
Sacramento, CA 95811  
(916) 322-8481

### **TELECONFERENCE SITE:**

**Area Board 7**  
2580 North First Street, Suite 240  
San Jose, CA 95131

**Area Board 11**  
2000 E. Fourth Street, Ste. 115  
Santa Ana, CA 92705

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| 1. <b>CALL TO ORDER</b>                       | M. KENNEDY |
| 2. <b>ESTABLISHMENT OF QUORUM</b>             | M. KENNEDY |
| 3. <b>WELCOME/INTRODUCTIONS</b>               | M. KENNEDY |
| 4. <b>APPROVAL OF OCTOBER 2, 2013 MINUTES</b> | M. KENNEDY |

5. **PUBLIC COMMENTS**

This item is for members of the public only to provide an opportunity to comments and/or present Information to the Committee on matters **not** on the agenda. Each person will be afforded up to three minutes to speak. Written requests, if any, will be considered first. The Committee will provide a public comment period, not to exceed a total of seven minutes, for public comment prior to action on each agenda item.

6.	<b>UPDATE WORK PLAN</b>	ALL	6
7.	<b>DSS ADMINISTRATIVE SUPPORT SERVICES UPDATE</b>	R. NEWTON/ K. KENT	
8.	<b>SPONSORSHIP, COI, BRANDING POLICIES</b>	M. CORRAL/ R. NEWTON	11
9.	<b>FISMA REPORT</b>	R. NEWTON	37
10.	<b>SCHEDULE NEXT MEETING &amp; FUTURE AGENDA ITEMS</b>	ALL	
11.	<b>ADJOURNMENT</b>	M. KENNEDY	

For additional information regarding this agenda, please contact Robin Maitino,  
1507 21<sup>st</sup> Street, Suite 210, Sacramento, CA 95811, (916) 322-8481

## DRAFT

### Administrative Committee Meeting Minutes October 2, 2013

#### **Attending Members**

Brian Gutierrez  
David Forderer  
Kris Kent  
Molly Kennedy  
Ray Ceragioli

#### **Members Absent**

#### **Others Attending**

Ed Steele  
Jenny Yang  
Lynn Cach  
Mark Polit  
Melissa Corral  
Nancy Dow  
Roberta Newton  
Robin Maitino  
Wayne Glusker

#### 1. **Call to Order**

Molly Kennedy called the meeting to order at 2:05 p.m. and established a quorum present.

#### 2. **Welcome and Introductions**

Members and others introduced themselves. Jenny agreed to assume role of Parliamentarian.

#### 3. **Approval of August 2013 Minutes**

It was moved/second (Ceragioli/Gutierrez) and carried to approve the August 29, 2013 minutes as presented. (1 abstention)

#### 4. **Public Comments**

There were no public comments.

#### 5. **Continued Discussion of Rollover Funds & Delegated Spending Authority**

Ed Steele was present to continue the discussion and provide an explanation on rollover funds and how dollars are expended. He stated that there is a negative funding gap between the amount we are authorized to spend by the approved Governor's Budget and the actual dollars we receive from the Federal Government that are available to spend. The gap exists because the amount appropriated in the Governor's Budget process is adjusted each year to consider inflationary cost increases while in recent years the Federal funds we receive do not. Additionally, Federal funds have been further reduced due

to the Sequester cuts. SCDD is currently able to sustain solvency primarily due to the savings generated by unfilled Exempt Headquarters positions.

Molly Kennedy requested that the Committee look at vacancies come January 2014 for possible cost savings.

6. **Update on DSS Administrative Support Services**

Kris Kent and Roberta Newton reported that they still continue to be in negotiation with DSS and are moving closer to an agreement. They will keep the Committee updated on the progress.

7. **Conflict of Interest, Sponsorship, and Related Policies**

Melissa Corral provided current draft and/or final policies to the Committee for review. While draft and/or final policies were provided on Incompatible Activities and Council Member Policy for Representation at Outside Events, the Committee only took action on the Incompatible Activities policy as stated below. There was no new action taken on the Council Member Policy for Representation at Outside Events since it has already been adopted by the Council. Melissa also provided background material which included old policies. Among them was a "Draft" SCDD COI Policy for Grants. The Committee requested that this item be put on the agenda at a future meeting for more discussion.

It was moved/second (Kent/Ceragioli) and carried to recommend that the "Draft" Incompatible Activities Policy be forwarded to the Executive Committee for approval.

8. **2012-14 Area Board Line Item Budgets**

Roberta Newton went over the area board line item budgets that were included in the packet. Roberta explained that there was a change to a few of the area board's budgets due to the elimination of a QA position at Area Board 7. The QA funds were transferred to Area Board 5 and 10 which is absorbing the additional QA workload.

9. **List of 2013-14 Contracts**

Roberta Newton provided a list of all contracts and service orders as of July 1, 2013 to the Committee. The Committee decided moving forward, that staff is to provide the Administrative Committee with "informational only reports" of any

new contracts/service orders under \$5,000 while taking anything over \$5,000 to the full Council for approval.

10. **Transition Report**

Roberta Newton is working on a Transition Report for the new Executive Director. The Committee was asked for their input on items to be covered in the report.

11. **Year-End Activities**

Roberta reported that MTARS has been delayed due to the Government Shutdown. She is currently working on the 2013 FISMA report and it will be completed prior to the due date of December 31, 2013. The federal PPR report is also being prepared and will be ready before year-end.

Some of the achievements this Committee plans on having completed by year-end are: Conflict Polices; DSS Interagency Agreement; and area board quarterly budgets.

12. **Schedule Next Meeting**

The next meeting was set for November 21, 2013 at 2:00 pm.

13. **Adjournment**

Molly Kennedy adjourned the meeting at 3:20 pm.

## Work Plan to Address November 2012 Audit Recommendations

April 2, 2013

Recommendations	Tasks	Next Steps/Timeline
1a. SCDD and staff should review COI and codes of conduct under state and federal regulations.	a. SCDD members and staff shall receive copies of 42 USC Section 15024(c)(5)(D), 45 CFR Section 74.42, GC Sections 87100, 19130, 19990 and the SCDD Incompatible Activities Statement and shall indicate in writing that they have read and understand its provisions.	By May 15, 2013  Completed
2a. Establish strong financial personnel  2b. Establish internal control procedures for processing and approval of contracts and invoices.  2c. Develop a written policy concerning travel of contractors	2a. Recruit for and train Budget Officer. Ensure that contract and procurement analysts receive appropriate training. Ensure that managerial staff receive appropriate training. Recruit for highly qualified Deputy for Administration. Ensure that the Procurement and Contracts Manual includes section with federal and state regulations regarding all applicable billing requirements.  2b. RA/Deputy to establish chain of command and process for documenting progressive review of submissions. Also to develop Policy for required backup documentation when submitting invoices.  2c. Develop policy on acceptable travel for contractors, including documentation required (receipts) for reimbursement and an authorization process for out-of-state	2a. Awaiting resolution on SSM I employee, expected April 1, 2013. Recruitment for Budget Officer April 1, 2013 – May 15, 2013. Budget Officer position filled July 8, 2013.  Analyst training initiated in March 2013, ongoing through December 31, 2013. Managerial training initiates April 2013. GO appointment of Deputy for Administration tentatively early 2014. Currently awaiting approval of CalHR to fill Retired Annuitant (RA) appointment to act as Deputy, to start April 8, 2013. RA Sarah VanDyke hired as of April 9, 2013. Sarah VanDyke resigned as of July 19, 2013.  Contract staff will be attending 4 additional classes: "Evaluation Criteria"; "Documentation"; "Services Contracting"; "Statement of Work."

	travel.	2b. 90 days following hire of an RA/Deputy. 2c. 90 days following hire of an RA/Deputy
3a. Develop regular expenditure reports to reconcile budget by actual expenses incurred by contracts. 3b. Recommend pairing a SCDD member with fiscal expertise to work with staff.	3a. Budget Officer to submit expenditure reports to Administrative Committee no less than quarterly. Reports to include budgeted/expenditures by Contracts, HQ and regional offices. 3b. Newly reconstituted Administrative Committee to serve this function. Committee is composed of a current department deputy, an attorney, and an MPA.	3a. Began March 2013, though hampered by lack of a Budget Officer. 3b. Began January 2013.
4a. Contracts must comply with DGS guidelines. 4b. A Procurement and Contract Handbook should be developed. 4c. Develop a procedure for contract approval verification.	4a. Have Administrative Committee receive an overview of the DGS State Contracting Guidelines. Contract staff are attending DGS Contract Training class. 4b. RA/Deputy to query other small commissions for examples of Procurement and Contract Handbooks. Contract analysts to ask for samples from DGS staff. 4c. See 2b.	4a. At April 25, 2013 Administrative Committee meeting. Completed – DGS Contract Manual Summary, DSS Purchasing Policies and Procedures Handbook, DSS Contract Process Handbook obtained and disseminated to Admin Committee and contract staff. Said handbooks to be reviewed and revised as needed by RA/Deputy. 4b. 90 days following hire of an RA/Deputy.
5a. DGS Training should be required for contract analysts, managers and their supervisors	5a. Ensure that all relevant staff register for and attend all pertinent classes. Interim E.D. will approve all appropriate	4c. 90 days following hire of an RA/Deputy 5a. Contract analysts have attended 40 hour DGS Contract Training class in March 2013. Staff Counsel and Interim E.D.

	training opportunities.	completed the same class in April. Additional training that is offered by DGS will be registered for throughout 2013.
<p>6a. Staff needs to use detailed and specific contract language including measurable goals.</p> <p>6b. Staff Legal Counsel should review all proposed new contracts.</p> <p>6c. Contracts should include provision for audits.</p>	<p>6a. Staff will be trained in best practices for contract language and provisions.</p> <p>6b. Staff Legal Counsel to review all new contracts resulting from a bid prior to SCDD approval.</p> <p>6d. SCDD to revise its contract format to include provision for auditing.</p>	<p>6a. Contract analysts have attended first basic contract class and will be registering for additional classes.</p> <p>Staff now have resources (Bid Sync) to find examples of contract language. Staff will also be attending a DGS class entitled "Statement of Work" that focuses on contract language.</p> <p>6b. Effective immediately, all newly drafted contracts that were the result of a bid will be reviewed by both Staff Legal Counsel and Interim Executive Director, the latter in lieu of the hiring of a RA/Deputy.</p> <p>6c. Effective immediately, all newly developed contracts will include a provision for auditing. Contracts will include a link to STD 213 Exhibit C #37 Examination and Audit</p>
<p>7a. Assign staff to perform duties of contract manager to include monitoring compliance and performance.</p> <p>7b. SCDD should receive progress reports including final report that details goals achieved or not.</p>	<p>7a. Identify staff to monitor contract/fiscal compliance, programmatic performance and a final approver. Assign substitute staff to cover said functions while staff vacancies exist.</p> <p>Identify source to provide training to staff on elements of grant oversight.</p> <p>7b. SCDD PDC to receive progress reports at a minimum of semi-annually. PDC to</p>	<p>7a. Effective currently, contract/fiscal compliance is assigned to contract analyst. Programmatic performance review for grants initiated by the Area Boards are assigned to Area Board staff who currently signify approval/disapproval before contract analyst approves invoices for payment. Programmatic review of statewide grants would be assigned to</p>



	include progress report at next SCDD meeting. Accomplished	Planning Specialist, a vacant position. In lieu of the Planning Specialist, existing program staff (CPS II) will take on that function effective May 1, 2013, overseen by the Deputy for Policy and Planning. Final approver would be assigned to Deputy for Administration. While vacant, that duty falls to the Executive Director. UCEDDs will be queried by May 16, 2013 for any recommended sources for grant administration training. Initiated 7b. PDC will receive first quarterly report of grants/contracts at April 23, 2013 meeting. Accomplished
<b>Recommendations</b>	<b>Tasks</b>	<b>Next Steps/Timeline</b>
8a. Contracts need to be reviewed for justification that work cannot be performed by state employees (GC 19130).	8a. Procurement and Contract Handbook (see Recommendation 4) to include provision for review of prospective contracts by Planning Specialist for compliance with GC 19130. Before awarding personal services contract, specialist shall identify any current state staff that may perform duties within the scope of requested services and advise SCDD of contract appropriateness.	90 days following hire of an RA/Deputy. While position is vacant, duty falls to Executive Director.
9a. There need to be written policies and procedures that inform members and staff of their responsibilities.  9b. There need to be signed authorization forms that document approval steps for contracts.	9a. Council members need to be educated as to their fiscal oversight responsibilities. Staff need to review and revise, as necessary, their duty statements and sign a statement that they understand its provisions. 9a and b. Procurement and Contract Handbook needs to include progressive	9a. Interim E.D. and Chair are attempting to arrange governance and fiscal oversight training for SCDD members by November 2013. Completed in May 2013 and July 2013. The Personnel Officer will oversee process of review and revision of duty statements of fiscal and contract staff, to be

	<p>steps and assigned staff for each step of contracting and procuring. Appropriate forms need to be included as Appendices. An approval document should be created that includes the Administrative Committee and full Council regarding all contracts and procurements exceeding \$5,000.00. Contracts under \$5,000 will be reviewed by the Administrative Committee and approved by the Executive Committee.</p>	<p>completed by July 1, 2013.</p> <p>9b. 120 days following hire of RA/Deputy In process</p> <p>Executive Committee/Council are now approving all contracts effective April 2013</p>
10a. Ensure that fiscal intermediaries are not be used without DOF approval.	<p>10a. All relevant staff shall be educated on this regulation.</p>	<p>10a. The Interim Executive Director shall put this regulation into a written memorandum to be disseminated to all relevant staff by April 30, 2013.</p> <p>Completed</p> <p>Contract staff have completed basic Contract training with DGS effective March 28, 2013.</p>



## **SCDD SPONSORSHIP POLICIES AND PROCEDURES**

The California State Council on Developmental Disabilities (SCDD) believes consumers and families should have control, choice and flexibility in the services and supports they receive. The best way to accomplish this is through increased access to knowledge on which informed choices can be based. Toward that goal, individuals and agencies may apply for Council sponsorships of up to \$999 for events that promote consumer and family self-advocacy. Priority will be given to those individuals who have not previously received an SCDD sponsorship. The Council will make determinations on out-of-state sponsorship supports on a case-by-case basis. The Council may choose to deny out-of-state travel to any conference or event if they find that there is a similar event or service offered within the state of California. The Council may choose to grant a sponsorship including out-of-state travel if they determine that a same or similar event is not available in state.

### **A. To apply for an Individual Sponsorship you must:**

1. Submit a signed written request (no faxes or emails) that is **received in the SCDD Sacramento office** (1507 21<sup>st</sup> Street, Suite 210 Sacramento, CA 95814) **at least 60 days** before the event. The request must include this information:
  - a. The name, date, location and description of the event you wish to attend;
  - b. How this event will help you be a better self-advocate, and/or how you will use this information to help yourself or others;
  - c. Your total budget for attending this event (including registration, hotel room, travel, meals, etc.) and how much money you are requesting (this amount cannot be more than your actual expenses, and no more than \$999);
  - d. A list if who else you have asked to fund your attendance at this event and what the answer was (if you are a regional center client, you must ask them about paying for you to attend conferences);
  - e. A list of other SCDD sponsorships you have asked for and/or received; and
  - f. A letter of recommendation from a local leader, agency or organization that describes how this will help you be a better self-advocate.

2. Send a short letter to SCDD after the event that describes what you learned and how this information will help you and other self-advocates. If SCDD is meeting near the city where you live, SCDD might ask you to come and speak to the Council in person to talk about what you learned.

[Additional Individual Sponsorship information is found in item C on Page 2]

**B. To apply for an Agency/Organization Sponsorship you must:**

1. Submit a signed written request (no faxes or emails) that is **received in the SCDD Sacramento office** (1507 21<sup>st</sup> Street, Suite 210 Sacramento, CA 95814) **at least 90 days** before the event. The request must include this information:
  - a. The name, date, location and description of your conference;
  - b. How this conference will increase the ability of consumers and family members to exercise control, choice and flexibility in the services and supports they receive, including a description of the specific way SCDD's funding would be utilized;
  - c. The number and type of expected attendees (i.e. teachers, providers, administrators, etc.), including how many are expected to be consumers and family members;
  - d. How you will conduct outreach to increase consumer and family involvement in the conference;
  - e. A complete and total budget, including the amount you are requesting (\$999 limit), details on the amount and sources of other funds solicited or obtained;
  - f. A list of other SCDD sponsorships and grants you have previously requested and/or received; and
  - g. A letter of recommendation from a consumer and/or family organization that supports your efforts to improve consumer and family self-advocacy.
2. During the event, provide acknowledgement that consumer and family participation in the event is made possible, in part, with funding from the California State Council on Developmental Disabilities.
3. After the event, submit a report to SCDD describing outcomes achieved and how consumers and families benefited.

[Additional Agency Sponsorship information is found in item C below]

**C. The following policies/procedures apply to BOTH Individual and Agency Sponsorships:**

1. The SCDD Executive Committee is responsible for all Sponsorship decisions.
2. All requests are subject to the availability of funds, and are paid as reimbursements in arrears, in accordance with State administrative procedures.

3. SCDD reserves the right to limit the number of individual requests to attend the same event.
4. No entity may receive more than \$999 in a fiscal year, regardless of the number of separate requests granted.



## **SCDD SPONSORSHIP POLICIES AND PROCEDURES**

The California State Council on Developmental Disabilities (SCDD) supports events that promote self-advocacy, leadership and education, thereby enabling people with developmental disabilities and their family members to expand their knowledge and skills. Toward that goal, organizations may apply for Council sponsorships for events that promote consumer and family self-advocacy.

To apply for an **Agency/Organization Sponsorship** you must:

1. Submit a signed written request to the SCDD **at least 90 days** before the event. The request must include this information:
  - a. The name, date, location and description of your event/conference;
  - b. How this conference will increase the ability of consumers and family members to exercise control, choice and flexibility in the services and supports they receive, including a description of the specific way SCDD's funding would be utilized;
  - c. The number and type of expected attendees (i.e. teachers, providers, administrators, etc.), including how many are expected to be consumers and family members;
  - d. How you will conduct outreach to increase consumer and family involvement in the conference;
  - e. A complete and total budget, including the amount you are requesting (\$999 limit), details on the amount and sources of other funds solicited or obtained;
  - f. A list of other SCDD sponsorships and grants you have previously requested and/or received; and
  - g. A letter of recommendation from a consumer and/or family organization that supports your efforts to improve consumer and family self-advocacy.

2. During the event, provide acknowledgement that consumer and family participation in the event is made possible, in part, with funding from the California State Council on Developmental Disabilities.

Applicants should be aware of the following policies and procedures:

1. The SCDD Executive Committee is responsible for all Sponsorship decisions.
2. All requests are subject to the availability of funds, and are paid as reimbursements in arrears, in accordance with State administrative procedures.

**State Council on Developmental Disabilities (SCDD)  
Conflict of Interest Policy  
Community Program Development Grants (CPDG)**

In accordance with Government Code Section 19990 *et seq.* and the SCDD's Statement of Incompatible Activities, the Council is committed to integrity and fairness in the conduct of all of its activities.

The interests of Council members will inevitably involve them in organizations, causes and other endeavors which may create an actual or perceived conflict with the CPGD process. It would be a disadvantage to the Council to deprive it of the involvement of interested colleagues, but their participation in Council decision making cannot violate current law nor impair the fairness and integrity of the grant process.

**CONFLICTS OF INTEREST**

Conflict of interest situations include but are not limited to the following: 1) Council members and/or their immediate relatives being employed by or doing business with applicant organizations; and, 2) Council members and/or their immediate relatives serving as board members of applicant organizations.

**POLICY**

In order to address potential conflicts of interest, the Council hereby adopts the following policy with respect to those conflicts that involve members of the Council:

***Employees of Applicant Organizations***

No Council member may apply for a grant through the CPGD process. This includes situations where Council members are employees of applicant organizations and stand to receive compensation from such, or have any other financial interest in the applicant organization, and will be funded through the CPGD process.

In situations where a Council members' immediate relative is an employee of an applicant organization, the Council member shall disclose the conflict prior to making any related grant decisions. Once such a disclosure has been made, the remaining board members will determine whether or not a conflict exists. Should it be determined that a conflict does exist, the Council member involved shall abstain from voting and shall not participate in any discussion of the grant itself or of the applicant organization. This disclosure shall be a made a part of the public meeting minutes in accordance with the Bagley-Keene Public Meeting Act (Government Code Section 11120 *et seq.*).



### ***Board Members of Applicant Organizations***

In situations where the Council member is also a board member of the applicant organization, the Council member shall disclose the conflict prior to making any related CPDG decisions. The Council member shall abstain from voting and shall not participate in any discussion regarding the grant application. In addition, the Council member must make assurances to the Council that the member will not disclose any Council confidential and/or material information to the applicant organization that would compromise the fairness or integrity of the grants process. Both the disclosure and assurance shall be made a part of the public meeting minutes in accordance with the Bagley-Keene Act.

In situations where a Council members' immediate relative is board member of the applicant organization, the Council member shall disclose the conflict prior to making any related grant decisions. Once such a disclosure has been made, the remaining board members will determine whether or not a conflict exists. Should it be determined that a conflict does exist, the Council member involved shall abstain from voting and shall not participate in any discussion of the grant application. This disclosure shall be a made a part of the public meeting minutes in accordance with the Bagley-Keene Act.

### ***Other Situations***

In all other situations where there may be a conflict, it is the expectation that the member disclose the possible conflict in order to have an appropriate discussion and finding on the matter. Should it be determined that a conflict does exist, the Council member involved shall abstain from voting and shall not participate in any discussion of the grant itself or of the applicant organization. This disclosure shall be a made a part of the public meeting minutes in accordance with the Bagley-Keene Act.

# **Executive Director Orientation and Leadership Academy**

## **Section II**

### **Developmental Disabilities Act Overview and Select Topics**

#### **Contents:**

**Disability Policy Framework: A Review**  
**Areas of Emphasis**  
**Council Responsibilities**  
**Required Yearly Activities**  
**Conflict of Interest**  
**Executive Director Evaluation**

## **Disability Policy Framework: A Review**

### **Historically**

- We have tried to “fix” people with disabilities
- If we could not “fix” the person, we supported exclusion, segregation, and denied services and supports
- Sometimes we made laws to ban people with disabilities from being seen in public
- Sometimes we forced people with disabilities into institutions and sterilized them
- People with disabilities were perceived as vulnerable/dependent people

### **Today**

- Disability is a natural and normal part of the human experience and in no way diminishes a person’s right to fully participate in all aspects of society
- Focus is to “fix” the physical and social environment to provide effective and meaningful opportunity to people with disabilities.

### **Goals of Disability Policy**

- Equality of Opportunity
- Full Participation
- Independent Living
- Economic Self-Sufficiency
- Equality of Opportunity

### **Individualization**

- Decisions based on facts, objective, evidence, person’s needs and preferences, state-of-the art science

### **Effective and Meaningful Opportunity**

- Focus on meeting the needs of all individuals; provide reasonable accommodations and reasonable modifications to policies, practices and procedures

### **Inclusion and Integration**

- Provide services in the most integrated setting appropriate for the person, avoid unnecessary and unjustified segregation and isolation

**Full Participation**

- Involve people with disabilities and their families in decisions affecting them
- Involve people with disabilities and their families in developing policies at the systems/institutional level

**Independent Living**

- Recognize as a legitimate outcome of public policy
- Skills development, long-term services and supports, cash assistance
- Economic Self-Sufficiency
- Recognize as a legitimate outcome of public policy
- Support systems providing employment related services/supports, cash assistance with work incentives.

**Why do we need to know this?**

- The disability policy framework is a guide to assess social policy from a disability policy perspective.
- This framework provides guidance and insight to effectively develop, implement and support systems change initiatives and consumer-driven alternatives.

**Connecting with the DD Act**

- The DD Act embodies the core policies of the disability policy framework
- The DD Act includes demonstration of methods of administration consistent with the disability policy framework

**Using the framework**

- Councils can use the framework to guide their work as they assess social policy from a disability perspective and effectively develop and implement home and community based systems change initiatives and consumer-controlled and driven alternatives.

**Reference**

Silverstein, R. (2000). Emerging disability policy framework: A guidepost for analyzing public policy. Iowa Law Review, Vol. 85(5).

## **The DD Act Areas of Emphasis**

### **DD Act Areas of Emphasis include the following:**

- Quality Assurance
- Child-care
- Education and early intervention
- Employment
- Health
- Housing
- Recreation
- Transportation
- Other Services available and offered to individuals in the community including formal and informal supports that affect quality of life

*DD Council, P&A, and UCEDD goals each must address at least one area of emphasis*

### **Quality Assurance Activities**

- Advocacy, capacity building and systemic change activities that result in improved consumer and family centered quality assurance and that result in system of quality assurance and consumer protection that –
  - Include monitoring of services, supports and assistance provided to an individual with developmental disability that ensures the individual
  - Will not experience abuse, neglect, sexual or financial exploitation, or violation of legal or human rights; and
  - Will not be subject to the inappropriate use of restraints or seclusion.
- Include training in leadership, self-advocacy, and self-determination for individuals with developmental disabilities, their families, and their guardians to ensure that those individuals –
  - Will not experience abuse, neglect, sexual or financial exploitation, or violation of legal or human rights; and
  - Will not be subject to the inappropriate use of restraints or seclusion;
  - Include activities related to interagency coordination and systems integration that result in improved and enhanced services, supports, and other assistance that contribute to and protect the self-determination, independence, productivity, and integration, and inclusion in all facets of community life, of individuals with developmental disabilities

### **Childcare related activities**

- Advocacy, capacity building, and systemic-change activities that result in families of children with developmental disabilities having access to and use of child-care services, including before-school, after-school, and out-of-school services, in their communities.

### **Education and Early Intervention related activities**

- Advocacy, capacity building, and system change activities that result in individuals with DD being able to access appropriate supports and modifications when necessary, to maximize their educational potential, to benefit from lifelong educational activities, and to be integrated and included in all facets of student life.
- Advocacy, capacity building, and systemic change activities provided to individuals (birth to 9) and their families to enhance the development of their potential; and the capacity of families to meet the special needs of the individuals.

### **Employment related activities**

- Advocacy, capacity building, and systemic change activities that result in individuals with DD acquiring, retaining, or advancing in paid employment, including supported employment or self-employment in integrated settings in a community.

### **Health related activities**

- Advocacy, capacity building, and systemic change activities that result in individuals with DD having access to and use of coordinated health, dental, mental health, and other human and social services, including prevention activities, in their communities.

### **Housing related activities**

- Advocacy, capacity building, and systemic change activities that result in individuals have access to and use of housing and housing supports and services in their communities, including assistance related to renting, owning, or modifying an apartment or home.

### **Recreation related activities**

- Advocacy, capacity building, and systemic change activities that result in individuals with DD having access to and use of recreational, leisure, and social activities in their communities.

**Transportation related activities**

- Advocacy, capacity building, and systemic change activities that result in individuals with developmental disabilities having access to and use of transportation

**Formal and Informal Community Supports**

- Advocacy, capacity building, and systemic change activities that result in individuals with DD having access to and use of other services available and offered to individuals in a community, including formal and informal community supports that affect their quality of life.

## **Council Responsibilities**

- Serve as an advocate for individuals with developmental disabilities
- Conduct or support programs, projects and activities that improve the quality of life of individuals with disabilities
- Develop a state plan
- Implement the state plan
- Monitor progress of the state plan and adapt it as necessary and appropriate
- More Council Responsibilities
- Periodically review the designated state agency
- Report activities to AIDD
- Prepare, approve and implement a budget using the amount provided to it
- Recruit and hire a Director consistent with state law
- Have staff that assists the Council in carrying out its responsibilities
- Annually evaluate the Director
- More Council Responsibilities
- Establish or strengthen a program for the direct funding of a State self-advocacy organization led by individuals with developmental disabilities; support opportunities for individuals with developmental disabilities who are considered leaders to provide leadership training to individuals with developmental disabilities who may become leaders; and support and expand participation of individuals with developmental disabilities in cross-disability and culturally diverse leadership coalitions.



## **Yearly activities required by the DD Act**

### ***Councils on Developmental Disabilities***

#### **Annual evaluation of the Executive Director**

The DD Act requires the Council to conduct an annual evaluation of the Director. Evaluation should be conducted in accordance with applicable personnel policies and follow State laws and regulations. The Council will determine date of annual evaluation; most often, this date coincides with the ED's hire date.

#### **Council Budget**

The DD Act requires the Council to prepare, approve and implement the budget. Budget approval should be reflected in official meeting minutes. Budget should be approved in a timeframe prior to the beginning of the State or Federal Fiscal year.

#### **Examination of Plan Goals**

The DD Act requires the Council to review the progress made toward plan goals annually. This includes a required component of measuring customer satisfaction with Council supported or Council conducted activities. The information is reported on the annual Program Performance Report due January 1 of each year.

#### **Consumer Satisfaction**

The DD Act requires Councils to collect and report consumer satisfaction with Council support or conducted projects. The information is a required component of the Annual Program Performance Report due Jan 1 of each year.

#### **Review of Designated State Agency\***

The DD Act requires the Council to periodically review the Designated State Agency (DSA) and activities carried out under Title B by the DSA and make recommendations for change to the Governor. The Council will determine date of periodic review.

#### **State Plan**

The State Plan is the 'big picture' of how services and programs for individuals with developmental disabilities and their families should be five years from now within a particular State or territory. Additionally, the plan includes long term goals to be accomplished within five years and provides guidance to the Council regarding how it spends its resources. Required components of the State plan are found in PL 106-402, The DD Act, and can be accessed in Subtitle B Section 124. State Plan located at <http://www.acf.hhs.gov/programs/aidd/resource/dd-act>

The Plan is submitted to AIDD through DD Suite, a web based reporting system. Each Executive Director is given a pass code from DD Suite to access the system.

The State Plan Development Guide is a resource provided to assist in the development of your 5 Year Plan. You will find the guide at <http://itacchelp.org/wp-content/uploads/2011/StatePlanDevelopmentResourceUpdated22011.pdf>

**The next 5 year planning cycle will be for FY 2017 through FY 2021**

**Due date: August 15, 2016**

**State Plan Update**

Each year, Councils are required to review and update or amend their plan if necessary. The State Plan needs to be updated if there are changes in the following areas: Council Identification, Council Membership, Council Staff, Designated State Agency information, Substantial changes or necessary updates in State Service System and Trends, Changes in Goals/Objectives, Budget projections, update on public input and review (remember if there are substantive changes in the State Plan there has to be public review of those changes). State plan updates are due to AIDD no later than August 15 of each year.

**Due date: August 15<sup>th</sup> of each year**

**Program Performance Report**

Developmental Disabilities Councils (DD Councils) are required to submit annual performance reports to the Administration on Intellectual and Developmental Disabilities (AIDD). The purpose of the Program Performance Reports (PPRs) is to document DD Council activities that occurred during the previous fiscal year for government reporting purposes. Reporting on activity-specific outcomes is intended to capture, on an annual basis, the results of initiatives funded by AIDD and administered by DD Councils including those initiatives conducted by grantees, Councils, members and policy and program staff.

**Due date: January 1<sup>st</sup> of each year**

**Financial Reports – AIDD-02B**

This federal financial form was introduced in 2007 and is designed to capture information on obligation and liquidation of federal funds, matching funds and program income. The report captures financial information for three years of federal allotment and require Councils' to report on cumulative federal dollars expended to date; amount of federal fiscal year dollars obligated, but not yet liquidated; and amount of federal fiscal year dollars that have not been obligated.

This report is due within 90 days after the end of the federal fiscal year. (The report is due no later than December 31 of each year).

**Federal Financial Report and Federal Cash Transaction Report**

The Federal Financial Report (FFR or SF 425) replaces the Federal Cash Transaction Report (FCTR or SF-272/SF-272A). This federal-wide report standardizes financial reporting across the government. The due date for submitting expenditure data on the *annual* FFR is 90 days after the end of the calendar quarter in which the budget period ends.

\* The DD Act requires this activity "periodically". A Council may choose the timeframe (Which may include annual).

## **Conflict of Interest Overview and Application**

### **Introduction**

Councils value the active participation and membership of stakeholders, state agencies, DD Act agencies, allied professionals, and leaders in disability rights. This active participation may at times create actual or perceived conflict of interests. Therefore, clear and open discussion is the path to ensure the Council maintains its public perception of integrity, while actively engaging key stakeholders.

### **What does the Act say related to Conflict of Interest?**

#### **Section 124 (c) (5) (D)**

The plan shall provide an assurance that no member of such Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of conflict of interest

### **What is an assurance?**

A pledge, a guarantee; free from doubt

To maintain federal compliance, Councils must submit this assurance to the Administration on Intellectual and Developmental Disabilities with their 5-year State plan

### **What is conflict of interest?**

A conflict of interest is real or perceived and exists when the Council member or a member of their family appears to gain or benefit personally from their position on the Council.

### **Appearance of conflict of interest**

Members of governance have a responsibility to avoid the appearance of a conflict of interest.

They should never use the organization as a platform for personal benefit or gain. A perceived conflict is often more damaging than a real one since it is much harder to resolve.

### **What is a Dual Role?**

A dual role exists if a Council member also serves in a leadership/decision making role of another entity who is seeking Council funding

Example: Council member also serves on the Board of Directors of the local disability organization

**Helpful hints if you find yourself in dual roles....**

If you are a member of the Council and also a member of a Board of Directors of an agency or organization applying for Council funds, first and foremost you should keep the primary purposes and guidelines of the Council as the priority. Dual role Council members should take great care they not influence any other Council member to gain their support or “sway” them to vote for or against proposals or decisions that may benefit their organization

**Example #1**

Situation: A member serves on the Council as well as on the Board of Directors or Advisory Committee of a disability organization that applies for a grant through the Council

Result: Even though the Council member may not receive direct financial benefit from the grant, there may be an appearance of a conflict of interest.

Recommendation: The Council member can publically disclose the conflict [so that it is in the record], and recuse themselves from discussions and vote on the topic

**Example #2**

Situation: A Council member has a spouse, significant other, immediate family member (or other relationship outlined within State or Territory guidelines) receiving funds from a Council funded project.

Result: This would constitute a conflict of interest for the Council member.

Recommendation: Council member would consider resigning appointment to the Council.

**Example #3**

Situation: A Council member participates in the design of a request for proposal outlining the activities of a project that will be funded by the Council; the Council member's place of employment competes for the funding

Result: The involvement of the Council member may constitute a perception of conflict of interest and unfair advantage to other entities competing for the Council funds.

Recommendation: The Council member can publically disclose the conflict [so that it is in the record], and recuse themselves from discussions and vote on the topic

**How do Councils provide the assurance?**

Councils use a variety of methods to provide the assurance. The most common are:

Conflict of Interest policies

Information forms that provide disclosure from Council members about other boards and organizations they represent

Code of Conduct policies

Recusing oneself from the room when discussions or voting occurs

## **Executive Director Annual Evaluation**

### **What does the DD Act say?**

Section 125 (c)(9)

The Council shall, consistent with State law, recruit and hire a Director of the Council, should the position of Director become vacant, and supervise and annually evaluate the Director. The Director shall hire, supervise, and annually evaluate the staff of the Council. Council recruitment, hiring and dismissal of staff shall be conducted in a manner consistent with Federal and State nondiscrimination laws. Dismissal of personnel shall be conducted in a manner consistent with State law and personnel policies.

### **Why?**

Because the executive director is such a critical figure in the organization, it is important to know how he/she is contributing to the **Council's** success and in what ways he/she could improve her performance.

To do this, the **Council** must conduct regular evaluations that not only review the executive director's strengths and weaknesses but also propose ways of improving his/her performance.

### **The Basics**

- Step one: Identify the evaluation committee.
- Step two: Set the goals and objectives of the executive director's job.
- Step three: Develop the evaluation form.
- Step four: Assess.
- Avoid these common errors when conducting the evaluation:
  - Focusing on a single trait or incident
  - Rating personality above performance
  - Substituting likes and dislikes for objectivity
  - Being overly lenient or severe
  - Keeping assessments near the average

Provide a copy of the evaluation form to the executive director so they can conduct a self-assessment.

- Step five: Meet with the executive director.
- Step six: Implement the changes.

### **The ED Position “Breakdown” of responsibility**

State planning and fiscal activities	20-50%
Community relations	10-20%
Support to Council	10-15%
Supervisory/Human Resources	10-30%
Public policy	10-15%

Note: Percentages and responsibilities reflect the majority of ED job description responsibilities.

### **What are Councils doing?**

- Survey entire Council
- Survey questions tied directly to job description of the Executive Director
- Rating scale (remarkable, satisfactory, unsatisfactory, unknown)
- Protect anonymity
- Results are tabulated by evaluation committee
- Chairperson or evaluation committee is authorized by Council to conduct the evaluation and informs the Council of completion and results

## **ANNUAL EVALUATION OF THE EXECUTIVE DIRECTOR**

Because the executive director is so central to the success or failure of the Council, evaluation of the executive director by the Council is an important component of the Council's responsibilities. But too often evaluations (and job descriptions) are undertaken only when the Council has become unhappy with their executive director. An annual, written evaluation both documents the executive director's achievements and shortcomings, and helps the executive director understand areas for improvement or where the Council is insufficiently informed. Typically, a committee of the Council (often the Council officers) leads the evaluation process, reports on the evaluation to the entire Council, and recommends salary for the next year.

Because the executive director acts both directly and indirectly through others to manage the organization, evaluating the executive director's performance is inevitably linked to evaluating the Council's performance as a whole. As a result, many Councils incorporate evaluation of the executive director into the annual review of organizational performance and goal-setting for the coming year (see the Board Cafe's April 1999 issue on a "360 Degree Assessment of the Agency").

Most Councils involve only other Council members directly in the evaluation process. Others choose to utilize feedback from the staff on the executive director's work as well. Still others go outside the agency to gather information regarding the performance of both the agency and the executive director, for example, to funders, collaborating agencies, volunteers, and clients.

Although survey-type assessments are easy to use, they have some important shortcomings. First, they are based on the perceptions of Council members, who frequently have very limited views of the executive director's performance. A failing executive can hide problems from the Council more readily than from staff, clients, or funders. A second shortcoming is that the quantitative nature of the questionnaire tends to attribute the same level of importance to all activities, and success with smaller tasks can inappropriately compensate for a big failure. For example, if an executive director does wonderful program and community work, but has incurred a huge deficit leading the agency to the brink of bankruptcy, the problem will only show up as one or two negative "grades" and won't affect the "grade point." Because of these shortcomings, it's important to see the Annual Assessment not as the evaluation itself, but as the starting point for a discussion.

Regardless of the evaluation process used, don't forget that executive directors need feedback all year round. Like any employee, executive directors need praise and acknowledgment for work well done, and immediate feedback when problems arise. In the best situations, the Council president (chair) and officers have established good working relationships with the executive director where constant feedback flows in both



directions. The annual formal evaluation is an important component of, not a substitute for, that relationship.

This Assessment is best used as a "first draft" for your own tool. You might AIDD questions related to publishing, or meeting with the press, or adapt these questions to your own Council's work.

## **SAMPLE~SAMPLE~SAMPLE~SAMPLE~SAMPLE**

### **Executive Director's Annual Assessment**

Please rate your assessment of each category of performance as Remarkable, Satisfactory, Unsatisfactory or Unknown

#### **Council Wide: Program Development and Delivery** (Circle one)

- |                                                                                                                                             |           |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| a. Ensures that the Council has a long-range strategy which achieves its mission, and toward which it makes consistent and timely progress. | R S U Unk |
| b. Provides leadership in developing program and organizational plans with the Council members and staff                                    | R S U Unk |
| c. Meets or exceeds Council goals in quantity and quality                                                                                   | R S U Unk |
| d. Evaluates how well goals and objectives have been met                                                                                    | R S U Unk |
| e. Demonstrates quality of analysis and judgment in program planning, implementation, and evaluation                                        | R S U Unk |
| f. Shows creativity and initiative in creating new programs                                                                                 | R S U Unk |
| g. Maintains and utilizes a working knowledge of significant developments and trends in the field                                           | R S U Unk |

*Comments:*

#### **Administration and Human Resource Management**

- |                                                                                                 |           |
|-------------------------------------------------------------------------------------------------|-----------|
| a. Divides and assigns work effectively, delegating appropriate levels of freedom and authority | R S U Unk |
| b. Establishes and makes use of an effective management team                                    | R S U Unk |
| c. Maintains appropriate balance between administration and programs                            | R S U Unk |
| d. Ensures that job descriptions are developed, and that                                        | R S U Unk |

regular performance evaluations are held and documented

e. Ensures compliance with personnel policies and state and federal regulations on workplaces and employment R S U Unk

f. Ensures that employees are licensed and credentialed as required, and that appropriate background checks are conducted. R S U Unk

g. Recruits and retains a diverse staff R S U Unk

h. Ensures that policies and procedures are in place to maximize Council member involvement R S U Unk

i. Encourages staff development and education, and assists program staff in relating their specialized work to the total program of the Council. R S U Unk

j. Maintains a climate which attracts, keeps, and motivates a diverse staff of top quality people R S U Unk

*Comments:*

### **Community Relations**

a. Serves as an effective spokesperson for the Council; represents the programs and point of view of the organization to agencies, organizations, and the general public. R S U Unk

b. Establishes sound working relationships and cooperative arrangements with community groups and organizations. R S U Unk

*Comments:*

### **Financial Management and Legal Compliance**

a. Assures adequate control and accounting of all funds, including developing and maintaining sound financial practices R S U Unk

b. Works with the staff, Finance Committee, and the Council in preparing a budget; sees that the Council operates within budget guidelines. R S U Unk

c. Maintains official records and documents, and ensures compliance with federal, state and local regulations and reporting requirements (such as annual information returns; payroll withholding and reporting, etc.) R S U Unk

d. Executes legal documents appropriately R S U Unk

e. Assures that funds are disbursed in accordance with contract requirements and DSA procedures

R S U Unk

*Comments:*

*Comments:*

### **Council Members**

a. Works well with Council officers

R S U Unk

b. Provides appropriate, adequate, and timely information to the Council

R S U Unk

c. Provides support to Council committees

R S U Unk

d. Sees that the Council is kept informed on the condition of the Council and important factors influencing it.

R S U Unk

e. Works effectively with the Council as a whole

R S U Unk

*Comments:*

Are there specific performance objectives, either for the executive director or for the Council as a whole, which you would suggest we AIDD for the coming

year? Are there any other comments you would like to make?

The above Assessment is excerpted from *Boardroom Dancing: A Practical Handbook for Nonprofit Boards*, to be published later this year by CompassPoint Nonprofit Services.

**Patents and Copyrights (Branding)**

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## MEMORANDUM

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**DATE:** December 22, 2013

**TO:** Michael Cohen, Director  
915 L Street  
Sacramento, CA 95814

**FROM:** Roberta Newton, Executive Director  
1507 21st Street, Suite 210  
Sacramento, CA 95811  
(916) 322-8481

**SUBJECT:** Review of the Systems of Internal Control

In accordance with the Financial Integrity and State Managers Accountability Act of 1983, Government Code Sections 13400 through 13407, I am submitting the attached report describing the review of our systems of internal control for the biennial period ended December 31, 2013.

As statutorily required, the California State Council on Developmental Disabilities is in compliance with Government Code Section 12439.

Attachment



State Council on Developmental Disabilities

• website • [www.scdd.ca.gov](http://www.scdd.ca.gov) • email • [council@scdd.cogov](mailto:council@scdd.cogov)

1507 21st Street, Suite 210  
Sacramento, CA 95811



STATE OF CALIFORNIA

Edmund G. Brown Jr.  
Governor

(916) 322-8481  
(916) 443-4957 fax  
(916) 324-8420 ITT

**DEPARTMENT NAME:** California State Council on Developmental Disabilities

**ORGANIZATION CODE:** 4100

### **INTRODUCTION :**

In accordance with the Financial Integrity and State Manager's Accountability (FISMA) Act of 1983, the California State Council on Developmental Disabilities (SCDD) submits this report on the review of our systems of internal control for the biennial period ended December 31, 2013.

Should you have any questions, please contact Roberta Newton, Interim Executive Director, at (916) 322-8481 or via email: [Roberta.Newton@scdd.ca.gov](mailto:Roberta.Newton@scdd.ca.gov).

### **BACKGROUND :**

The Mission and Vision of SCDD are:

#### *Mission*

The Council advocates, promotes and implements policies and practices that achieve self-determination, independence, productivity and inclusion in all aspects of community life for Californians with developmental disabilities and their families.

#### *Vision*

Californians with developmental disabilities are guaranteed the same full and equal opportunities for life, liberty and pursuit of happiness, as all Americans.

SCDD is established by state and federal law as a state agency mandated to ensure that people with developmental disabilities and their families receive the services and supports they need and participate in the planning and design of those services.

Councils on Developmental Disabilities are established in each state through the federal Developmental Disabilities Assistance and Bill of Rights Act.

*"The Council advocates, promotes & implements policies and practices that achieve self-determination, independence, productivity & inclusion in all aspects of community life for Californians with developmental disabilities and their families."*

The Council's state mandated functions are defined in the California Welfare and Institutions Code (WIC), sections 4520 – 4570. The majority of the state statutes that govern services for individuals with developmental disabilities are found in WIC sections known collectively as the Lanterman Act.

The Council is composed of individuals with a developmental disability, parents and family members of people with developmental disabilities, and representatives of State departments that provide services to individuals with developmental disabilities. The Council consists of 31 members appointed by the Governor, with individual and family consumers representing a minimum of 60 percent of the membership. By law, the chairperson is an individual with developmental disabilities or family member. The Council meets at least six times yearly and is assisted in carrying out its mission by Council staff and local area board offices.

In January 2003, state legislation was passed that administratively merged the 13 independent Area Boards on Developmental Disabilities into the State Council. All area board employees became staff of the Council. One of the positive effects of the merger is that the Council now has a statewide network of local offices to better assist individuals with developmental disabilities and their families.

The Council headquarters is located in Sacramento and the 13 regional area board offices are located throughout California.

## **MAJOR PROGRAMS**

The Council is responsible for developing and implementing a federally approved State Plan which identifies goals, objectives, and activities designed to improve and enhance the availability and quality of services and support to individuals with developmental disabilities and their families. The appointed Council members provide oversight to ensure system coordination, monitoring and evaluation.

The Council administers grants to community-based organizations that fund new and innovative services and supports to implement the federally required State Plan objectives and improve and enhance services for Californians with developmental disabilities and their families. The Program Development Grant Committee (PDGC) provides funding for new approaches to serving Californians with developmental disabilities that are part of an overall strategy for innovation and systemic change. Each

year the Council selects objectives from the federally required State Plan and solicits proposals that are new, innovative and cost effective in providing services to individuals with developmental disabilities and their families.

The area boards are an integral part of the Council and assist with advocacy, training, coordination and implementation of the Council's State Strategic Plan. Outcomes are reported for inclusion in reports to the federal government and the California Legislature. The boards provide a vital link in addressing the ongoing needs of Californians with developmental disabilities and their families. Their ties to the local community provide a rich source of information about future initiatives that hold the potential to improve the lives of people with developmental disabilities.

Additionally, the Council has two Interagency Agreements with the Department of Developmental Services. One requires that the Council deliver clients' rights and volunteer advocacy services to residents of the state's developmental centers and state operated facility. In order to carry out these responsibilities, Council staff are housed at the facilities so as to be accessible to residents, staff and family members. Additionally, the Council implements another interagency agreement with DDS to conduct assessments of individuals and families with developmental disabilities who live in community-based settings to determine their satisfaction with their services and supports

## **RISK ASSESSMENT**

The Council relied heavily on the findings of two audits, a limited one conducted by the Department of Finance, Office of State Audits and Evaluations in March – May 2012 and a follow-up audit by the DHCS Financial Audits Branch (FAB) in November 2012 that expanded upon the DOF audit. Because these audits comprehensively describe deficiencies in the Council's control environment, management felt it was important to acknowledge these findings and identify where the agency has rectified the deficiencies and what corrections still remain.

## **EVALUATION OF RISKS AND CONTROLS**

The DHCS FAB audit identified 10 findings which merited recommended actions. They are listed below, along with the SCDD's response and actions to date. In addition to the actions cited below, it should be noted that effective January 2013, the SCDD reconstituted its then-dormant Administrative Committee to provide ongoing oversight of the Council's administrative functions. The Administrative Committee members include an Assistant Secretary of CHHSA; an attorney, and a retired nonprofit executive with a Master's Degree in Public Administration. The Administrative Committee has met monthly since January. Among its activities, the Administrative Committee has overseen implementation of the staff Workplan that was developed to address the findings of the DOF and DHCS audits. The tasks identified in the workplan are cited below as they constitute the actions taken by the SCDD to address the audits' findings.



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**Finding #1** The previous SCDD Executive Director preferentially awarded a contract and engaged in a number of prohibited contracting practices.

**Actions:** The aforementioned Executive Director is no longer employed by the state. All staff and Council members have reviewed and indicated their understanding of state and federal Conflict of Interest and codes of conduct provisions. All contracts are now brought to the attention of the Administrative Committee. Contracts over \$5,000 are reviewed and acted upon by the Council.

**Finding #2** The previous Budget Officer conducted little to no fiscal oversight of contracts, resulting in payments for nonallowable or undocumented expenses.

**Actions:** The aforementioned Budget Officer is no longer employed by the state. The agency's two contract analyst as well as staff counsel and the interim executive director have been attending DGS contract training classes including: Basic Acquisitions and Contracting Program, Evaluation Criteria, Documentation, Services Contracting and Statement of Work. One contract analyst was also registered for a Federal Grants Monitoring class that was unfortunately cancelled when the federal government shut down. The Council is also attempting to bring on a seasoned financial manager to serve as Deputy Director for Administration. However, the position is a Governor appointment and the Governor's Appointment office has encouraged the Council to hold off on that recruitment until a permanent Executive Director is installed. As a stopgap, the SCDD hired a SSMIII Retired Annuitant (RA) to begin to develop office policies and procedures to ensure that proper controls were in place. The RA did develop more detailed grant evaluation criteria; however she departed after a three month tenure.

**Finding #3** Deficiencies were found in the expenditure reporting and record keeping by the Budget Officer.

**Actions:** The Council's new Budget Officer, in partnership with a retired annuitant manager, is tracking expenditures monthly and reconciling to Calstars. The Administrative Committee and Council now get quarterly expenditure reports broken out by area boards, grants and HQ.

**Finding #4** DGS contracting requirements were not followed. The SCDD had no procurement and contracting manual.

**Actions:** Procurement analyst, contract analyst, legal counsel and Interim Executive Director have all completed DGS contracting classes. The Council has embarked on putting together a manual; however, we are hampered by continued staff vacancies.

**Finding #5** SCDD staff lacked sufficient understanding of state contracting rules.

**Actions:** As noted above, staff has begun attending DGS classes. (Basic Acquisitions and Contracting", 40 hours, "Evaluation Criteria", "Documentation", "Services Contracting", Statement of Work.") Further, the contract analyst will be attending a two day class on monitoring federal grants in April 2014. (She was registered for the November class which was cancelled due to the federal shutdown )

Finding #6 Contracts lacked specificity and measurable goals.

Actions: The aforementioned classes provided guidance on best practices for contract language. Contracts now include a link to STD 213 Exhibit C#37 Examination and Audit. Contracts are now reviewed by Legal Counsel and the Interim Executive Director (in lieu of the vacant Deputy Director for Administration) prior to sending to DGS OLS for review.

Finding #7 No staff was performing the duties of a contract manager.

Actions: With the continued vacancy of the Deputy Director for Administration who should fill this role as well as other key vacancies, monitoring of contracts continues to be a less than streamlined process. For grants/contracts that are initiated by the regional area board offices, area board staff are first level monitors. For statewide grants, the vacant Planning Specialist would ideally be the first line monitor. That role is now assumed by the Deputy Director for Policy and Planning for grants and the Interim Executive Director for contracts.

Finding #8 It did not appear that contracts necessarily complied with GC 19130(b), demonstrating that the work could not be performed by state employees.

Actions: With the staff vacancies, the Interim Executive Director has assumed this duty. Since the release of these audits, the Council terminated a \$290,000 Personal Services contract, replacing it with a smaller \$160,000 personal service contract and the addition of a FTE state employee position to implement previous segments of the previous larger PS grant.

Finding #9 There were insufficient controls at SCDD insofar as the Executive Director initiated all contracts. The Council ought to have approved them prior to execution but in reality, often did not.

Actions: The reconstitution of the Administrative Committee was intended to address the limited oversight that existed at the time. The Administrative Committee meets monthly and reviews all contracts. Those for amounts exceeding \$5,000 require Council approval.

Finding #10 Fiscal intermediaries were used, without getting the required DOF approval.

Actions: The Interim Executive Director circulated an advisory to all contract and HQ staff prohibiting the use of fiscal intermediaries.

Additional Findings Identified in DOF Management Letter of August 17, 2012:

- The Council had (and still does) many staff vacancies resulting in inadequate controls or segregation of duties.

Actions: The Council attempted to bring on a retired annuitant as a temporary fix. This effort was unsuccessful as we were unable to identify a candidate who could

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Director, and Deputy Director have all discussed this situation with the Governor's Appointment Office, CalHR and CHHSA staff. Nevertheless, the same vacant administrative positions that existed in May 2012, continue today.

- The then-Executive Director was secretive and did not practice transparency in financial affairs.

Actions: The Executive Director as of May 2012 has retired from state service. The Interim Executive Director has re-established the Administrative Committee to ensure that fiscal and administrative matters are publicly discussed. She also requested that DHCS FAB Unit conduct the more extensive audit to ensure that all deficiencies were known and addressed.

- SCDD exceeded its DGS delegated purchasing authority

Actions: All administrative staff have been made aware of state contracting rules and have attended DGS training.

- Contracting and invoicing practices and language could be improved.

Actions: See response to findings # 5 and 6 above.

## **VACANT POSITIONS**

SCDD is in full compliance with Government Code Section 12439. During the current reporting period, as part of SCDD's Federal Sequester reduction plan included in the 2013-14 Governor's budget, two Community Program Specialist II positions were abolished per Government Code Section 12439.

## **CONCLUSION**

The California State Council on Developmental Disabilities certifies that its systems of internal control are adequate.

Roberta Newton  
Interim Executive Director